

**City of Merrill  
Joint Review Board  
Tuesday, September 13, 2011 at 4:30 P.M.  
Basement Conference Room, City Hall, 1004 East First Street**

Members Present: Mayor Bill Bialecki (City of Merrill representative), Jane Kittel (North Central Technical District representative), Bruce Anderson (Merrill Area Public Schools representative), Bob Weaver (Lincoln County representative), and Ralph Sturm (public member)

Others Present: Alderperson Don Heyel, Alderperson Kandy Peterson, Finance Director/RDA Secretary Kathy Unertl, City Attorney Tom Hayden, Engineer Assistant George Schau, Brian Reilly from Ehlers & Associates who arrived at 4:40 p.m., Dewey Pfister, and Chris Malm whom arrived at 4:55 p.m.

**Call to order**

Mayor Bialecki called the meeting to order at 4:30 P.M. with the four local government representatives present.

**Election of chairperson**

Motion (Weaver/Kittel) to nominate Bill Bialecki as Joint Review Board Chairperson. Nominations were closed. Carried.

**Election of public member**

Motion (Bialecki/Weaver) to nominate Ralph Sturm for Joint Review Board public member. Nominations were closed. Carried.

**Review and consideration of minutes from August 31, 2009 Joint Review Board meeting:**

Motion (Kittel/Weaver) to approve the meeting minutes as submitted. Carried.

**Discuss responsibilities of Joint Review Board**

Upon his arrival, Brian Reilly from Ehlers & Associates explained the responsibilities of the Joint Review Board including reviewing "A Guide for Joint Review Board Members" from the Wisconsin Department of Revenue. Reilly noted that the primary purpose of a Joint Review Board is to ensure that all taxing jurisdictions are represented and allowed input when the creation of Tax Increment District is being considered.

The three primary decision criteria for the Joint Review Board are whether the development expected in the TID would occur without the use of tax increment financing; whether the economic benefits of the TID as measured by increased employment, business and personal income, and property value, are insufficient to cover the costs of proposed improvements; and whether the benefits of the proposal outweigh the anticipated tax increments to be paid by the owners of property in the overlying taxing districts.

**Overview, discuss, and review Project Plan for proposed TID No. 8 (West Side Area)**

Unertl distributed the Ehlers & Associates powerpoint presentation on creation of Tax Incremental District No. 8, the draft TID No. 8 Plan, a map showing the non-blighted parcels, an existing use map, and a more readable list of parcels proposed to be included.

Reilly from Ehlers & Associates provided an overview of the process and State criteria for creation of Tax Incremental District No. 8. Reilly highlighted how tax increment is generated above the existing base value and the importance of the “but for” test. TID No. 8 is proposed as a “blight” elimination district.

As of January 1<sup>st</sup>, 2011, the City of Merrill had the following tax increment valuations with Kittel requesting clarification of the type of tax increment district:

|       |             |                   |
|-------|-------------|-------------------|
| TID 3 | \$7,085,400 | Mixed Use TID     |
| TID 4 | \$1,916,500 | Mixed Use TID     |
| TID 5 | \$ 327,700  | Mixed Use TID     |
| TID 6 | \$ 422,700  | Blighted Area TID |
| TID 7 | \$ 399,200  | Blighted Area TID |

Total value increment in existing TIDs is \$10,171,750. With total equalized value of \$392,919,700, the City would be well under the 12% State total equalized valuation limit which is just over \$47.1 million.

Almost 100% of the total acreage is “blighted” which meets the not less than 50% State criteria. About 17% of the total acreage is “vacant” property which meets the not more than 25% State criteria. Reilly explained that “vacant” includes properties with a land value greater than the improved valuation.

The maximum lifespan for a “blight” TID is 27 years with a TIF expenditure period of 22 years. City Building Inspector Richard Grefe has reviewed and taken pictures of all properties as part of his “blight” assessment. Unertl highlighted the vacant land areas that were dropped from the original TID No. 8 proposed boundary. The southwest area might be added to TID No. 8 in a future boundary amendment or might become a separate future Mixed Use TID.

Reilly covered proposed TID budget/project list, development assumptions, tax increment revenue projections, and cash flow forecast. Based upon the projections, the City dropped all potential street/utility infrastructure projects outside the proposed TID boundary at this time.

The City anticipates some projects may be eligible for grant funding. To the extent that grant funds are received, project costs would be reduced. The project costs are for budget planning purposes. Actual expenditures and potential public debt borrowing would be reviewed and authorized by a case-by-case basis by the Redevelopment Authority and Common Council.

It is likely that TID No. 8 may experience annual deficits for a number of years. Reilly also reported that a “blight” TID can be a recipient of tax increment from other TIDs since redevelopment is often more challenging. The green column highlights the projected future tax increment.

**Overview, discuss, and review Project Plan for proposed TID No. 8 - Continued:**

Unertl advised that the City of Merrill had negotiated a development incentive for Hurd Windows & Doors for their Superseal vinyl manufacturing business. Superseal is being located in a now vacant manufacturing space owned by Hurd on Water Street. The Joint Review Board agenda packet included a June 29<sup>th</sup>, 2011 letter from Mayor Bill Bialecki to Hurd's CEO, a copy of draft City of Merrill Common Council resolution authorizing the proposed development agreement, and a term sheet.

At this time, no Joint Review Board action was necessary or taken. Joint Review Board members were invited to stay for the Redevelopment Authority's public hearing at 6:00 p.m.

**Next meeting**

With anticipated Merrill Common Council action on TID No. 8 creation on Tuesday, September 27<sup>th</sup>, 2011, the City will publish a Class I notice in the Merrill Courier on Friday, September 30<sup>th</sup>.

The next Joint Review Board meeting was tentatively scheduled for Thursday, October 6<sup>th</sup>, 2011 at 1:00 P.M.

**Public comment**

Mayor Bialecki thanked the Joint Review Board members for their interest and participation.

**Adjournment**

Motion (Anderson/Sturm) to adjourn. Carried. Adjourned at 5:12 P.M.

Minutes prepared and submitted by:

Kathy Unertl, Finance Director/RDA Secretary